

## Message Text

SECRET POSS DUPE

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73

ACTION ARA-20

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 MC-02 OMB-01 TRSE-00 EUR-25 AID-20 ACDA-19

DRC-01 /163 W

----- 104750

R 311556Z MAY 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 8772

INFO AMEMBASSY LIMA

AMEMBASSY QUITO

S E C R E T SANTIAGO 3053

E.O. 11652: GDS

TAGS: PFOR, MASS, CI, EC, PE, US

SUBJECT: RECENT FMS NAVAL ACQUISITIONS BY CHILE, ECUADOR AND  
PERU (HEIGHTENED INTEREST IN MILITARY BALANCE ON WEST  
COAST)

REFS: (A) STATE 083633; (B) CNO LTR SER 634/3911 OF  
15 JAN 73; (C) GOC DIP NOTE OF 22 AUG 73;  
(D) SECSTATE NOTE 8 MAY 74

1. SUMMARY: U.S. INTENTION PROVIDE TWO GUPPY I-A CLASS  
SUBMARINES TO PERU ASSURES MINIMUM PERU/CHILE IMBALANCE IN  
SUBMARINES OF TWO TO ONE. IF CHILEAN PROBLEMS WITH US AS  
MILITARY SUPPLIER CONTINUE ON PRESENT COURSE TO POINT WHERE UK  
REFUSES DELIVER TWO SUBMARINES ON ORDER, IMBALANCE WILL REACH  
EIGHT TO ONE IN FAVOR OF PERU. THIS THIS PROBLEM COMPOUNDED IN TERMS  
U.S. RELATIONS WITH GOC BY OUR DENIAL THIS MONTH OF GOC REQUEST  
FOR APPARENTLY VERY SIMILAR GUPPY II CLASS SUBMARINE. ACTION:  
REQUEST DEPARTMENT CONSIDER OFFERING AT LEAST ONE GUPPY  
I-A CLASS SUBMARINE TO CHILE. END SUMMARY

2. WE HAVE NO DESIRE TO INITIATE COMPETITION BETWEEN WEST  
SECRET  
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COAST NAVIES NOR DO WE BELIEVE IT APPROPRIATE TO SUPPORT CHILEAN  
REQUESTS MOTIVATED BY ACQUISITIONS FURTHER NORTH. HOWEVER, REF

(A) IMPELS FOLLOWING COMMENTS.

3. COMPARATIVE SUBMARINE FORCES (ACCORDING TO OCT. 1973  
MILITARY INTELLIGENCE SUMMARY (MIS)):

A. PERU: BY THE END OF 1974, PERU SHOULD HAVE A TOTAL OF  
SIX SUBMARINES (FOUR ARE PRESENTLY OPERATIONAL AND TWO SHOULD BE  
DELIVERED FROM GERMANY THIS YEAR).

B. CHILE: CHILE HAS TWO SUBMARINES. OF THESE, ONE CANNOT  
DIVE AND THE OTHER HAS AN ESTIMATED OPERATIONAL FUTURE OF ONE YEAR.  
TWO ARE ALSO UNDER CONSTRUCTION IN THE UK.

4. IN JUNE 1973, (REF B) IN RESPONSE TO A REQUEST BY THE  
CINC CN, WE ADVISED THAT GUPPY CLASS SS'S WERE NOT AVAILABLE  
BUT THE CN SHOULD SUBMIT A FORMAL DIPLOMATIC NOTE IN THE EVENT  
ASSETS BECAME AVAILABLE. FORMALLY, IN AUGUST 1973, (REF C)  
THE GOC DID SUBMIT A DIPLOMATIC NOTE REQUESTING A GUPPY II  
CLASS SS. IN MAY 1974, (BY REF D) WE ADVISED THAT GUPPY II  
SS'S WERE NOT AVAILABLE IN THE U.S. INVENTORU.

5. WE NOW NOTE (REF A) THAT TWO GUPPY I-A CLASS SS'S  
WILL SOON BE MADE AVAILABLE TO PERU FROM THE RESERVE FLEET.

6. JANE'S SHOWS VERY LITTLE DIFFERENCE BETWEEN GUPPY I AND  
II SS'S EXCEPT DATE OF MODERNIZATION BUT PERHAPS THERE ARE  
OTHER SIGNIFICANT DIFFERENCES ABOUT WHICH WE ARE UNAWARE.

7. WE BELIEVE THAT ACQUISITION NOW BY PERU OF TWO U.S. SS'S  
AFTER OFFICIAL USG TURN-DOWN TO CHILE (IN-KIND) WILL NOT BE WELL  
RECEIVED HERE. INDEED, WHILE DIFFERENCE BETWEEN GUPPY I AND II  
MAY OR MAY NOT BE AN ISSUE, REF (D) COULD BE MISCONSTRUED HERE  
SINCE IT DID NOT ADVISE THAT (ALTHOUGH GUPPY II NOT AVAILABLE)  
GUPPY I'S WERE AVAILABLE. WE OF COURSE HAVE NO IDEA WHETHER  
CHILEAN NAVY WOULD BE INTERESTED IN GUPPY I-A IF OFFERED.

8. RELUCTANCE OF NEW UK LABOR GOVERNMENT TO SUPPLY ARMS  
TO CHILE MAY HAVE IMPACT ON DELIVERY DATES OF TWO OBERON SS  
(EARLIEST ESTIMATED DELIVERY IS IN 1975 -- ALL THINGS GOING WELL).

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DELIVERY OF TWO GUPPY I SUBMARINES TO LIMA (AFTER TURN  
DOWN -- ALBEIT FOR GUPPY II) COULD PROVE NOT ONLY EMBARRASSING  
BUT COULD BE CONSIDERED AS FURTHER UNBALANCING OF WEST COAST  
LA NAVAL FORCES IN FAVOR OF PERU. EVEN AFTER DELIVERY OF TWO  
UK SUBMARINES TO CHILE, IMBALANCE WILL BE TWO-TO-ONE IN FAVOR  
OF PERU. IF UKG SUCCUMBS TO PRESSURE FROM TRADE UNIONS AND  
LABOR PARTY BACK-BENCHERS, AS SEEMS POSSIBLE, AND REFUSES  
DELIVER SUBMARINES, IMBALANCE WILL BE EIGHT-TO-ONE IN FAVOR OF  
PERU.

9. ACTION: REQUEST DEPARTMENT CONSIDER OFFERING AT LEAST ONE GUPPY  
I-A CLASS SS TO CHILE.  
POPPER

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## Message Attributes

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